

RESOLUTION 2005-42

A RESOLUTION CONCERNING THE APPLICATION OF PENN NATIONAL GAMING, INC. TO ACQUIRE OWNERSHIP OF INDIANA GAMING COMPANY, L.P.

The Indiana Gaming Commission (“Commission”) adopts the following resolution pursuant to the authority granted to it under IC 4-33 and pursuant to 68 IAC 1-2-6.

The following factors have been considered by the Commission:

1. Penn National Gaming, Inc. (“Penn National”) and its wholly owned subsidiary, Thoroughbred Acquisition Corp. (“Thoroughbred”), have entered into an agreement and plan of merger with Argosy Gaming Company (“Argosy”). Pursuant to the terms of the agreement, Thoroughbred will merge with and into Argosy, and Argosy shall continue as the surviving corporation. Upon completion of the merger, Argosy shall become a wholly owned subsidiary of Penn National.
2. Indiana Gaming Company, L.P., a wholly owned subsidiary of Argosy, is the current holder of the license to own and manage a riverboat gambling operation in Lawrenceburg, Indiana. After closing, Indiana Gaming Company, L.P will continue to hold the Indiana owner’s license.
3. To effectuate the merger, Penn National will acquire all of Argosy’s outstanding common stock at a price of \$47 per share. Penn National will also acquire all outstanding options to purchase Argosy common stock. Penn National has indicated and established to the Commission’s satisfaction that it has sufficient funds at its disposal to finance this merger.
4. The Commission has received a confidential financial analysis of the transaction from Dr. Charlene Sullivan who recommends approval of Penn National’s financing package and of the merger.
5. Penn National and Argosy have addressed the Commission concerning this merger.
6. The City of Lawrenceburg, Indiana, through its Mayor, the Honorable William E. Cunningham, has expressed its strong support for the merger.
7. The Indiana State Police, Background Investigative Unit has completed a background investigation of Penn National and has presented a report to the Commission for review.

NOW, THEREFORE, BE IT RESOLVED BY THE INDIANA GAMING COMMISSION, THAT THE FOLLOWING RESOLUTION IS ADOPTED:

SECTION 1: SCOPE

This resolution applies to Penn National Gaming, Inc., Indiana Gaming Company, L.P., and the relevant Affiliates of each.

SECTION 2: DEFINITIONS

The definitions set forth in IC 4-33-2 and 68 IAC apply to this resolution.

SECTION 3: ACTION ON THE APPLICATION OF PENN NATIONAL GAMING, INC. TO ACQUIRE OWNERSHIP OF INDIANA GAMING COMPANY, L.P.

The Commission hereby:

GRANTS

(GRANTS OR DENIES)

the application of Penn National Gaming, Inc. to acquire the ownership of Indiana Gaming Company, L.P. which is a wholly owned subsidiary of Argosy Gaming Company and the current holder of an Indiana riverboat owner's license to own and manage a riverboat gambling operation in Lawrenceburg, Indiana.

The Commission's granting of Penn National's acquisition shall be subject to Penn National's acceptance of the continuing condition that it, the Indiana Gaming Company, L.P., and all relevant affiliates remain in full compliance with all laws, regulations and/or other directives which are properly applicable to this acquisition, and to the ownership and operation of a riverboat gambling operation in the State of Indiana and in the town of Lawrenceburg, Indiana.

SECTION 4: EFFECTIVE DATE

This resolution is effective immediately.

ADOPTED THIS THE 23rd DAY OF JUNE, 2005.

THE INDIANA GAMING COMMISSION:

Harold Calloway, Chair

ATTEST:

Don Vowels, Secretary